



Issue 29 (2007)
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Part 1: News Analysis

President Gurbanguly Berdymukhamedov's long-anticipated trip to China this week completes the circumnavigation of six months of monumental foreign policy efforts by "neutral Turkmenistan" to create good relations where they had not previously existed, such as with Azerbaijan, and improve already constructive relations, such as with Russia and China. A strategically-important nation larger than Russia and an even larger market, China is responsible for loaning Turkmenistan equipment and funds for its development of industries from oil and gas to textiles and food processing, in a recipe China has used elsewhere in the world to build influence and trade dependence. Plans for a gas pipeline from Turkmenistan to China, part of a larger system also picking up fuel from Kazakhstan and Uzbekistan, are being refined and it is expected China will make a major claim on Turkmenistan's natural gas deposits, sparking concern by experts that Turkmenistan may not have sufficient resources to meet all its existing obligations to Russia, Ukraine, Iran and other regional partners and also take on new customers in Western markets.

In a bold move criticized by Washington, Ankara and Teheran this week made plans to pump 30 bcm a year to Europe via Turkey to avoid dependence on Russia, counting on Turkmenistan's gas and cooperation to achieve the long-stalled goals of the alternative Nabucco pipeline. Turkmenistan revealed little about its role in the controversial deal, whose negotiations coincided with the three-day visit this week of a US delegation led by Principal Deputy Assistant Secretary of State for South and Central Asian Affairs, Steven R. Mann, to pursue the recently expanded U.S.-Turkmenistan dialogue on economic and energy sector cooperation.

The human rights picture remained ambiguous this week. In some of the most encouraging human rights news since the death of former president Saparmurat Niyazov, President Berdymukhamedov decreed this week that the ban on travel near Turkmenistan's sensitive border areas was now abolished. This impending increase in freedom of movement should mean easier travel for work and family for numerous Turkmen citizens, particularly those of ethnic minority groups such as Uzbeks, with whom Turkmenistan shares a lengthy border. To be sure, the Ministry of National Security is charged to "maintain order" regarding this more free travel, and it remains to be seen whether undue interference will continue by other means than by decree. Nevertheless, it is a significant development both in human rights and economic terms and provides a clear indication of Berdymukhamedov's at least partial break with the tyranny of his predecessor.

Another indirect indication of increased freedom for residents of Turkmenistan is the boom in mobile phone subscriptions. Global Insight reported this week that Russia's Mobile TeleSystems (MTS), one of two cell phone operators in Turkmenistan, had announced that at the end of the first half of 2007 it had 240,000 subscribers in Turkmenistan, up from 180,000 at the start of the year, and almost double the number it had 12 months ago. A further positive move was the creation of a State Superior Audit Chamber to regulate state finances and property assets.

The Turkmen leader made more Cabinet reshuffles, not allowing even those most recently appointed to reach the end of their probationary periods. Baymyrat Khodzhamukhammedov was appointed Minister of the Oil and Gas and Mineral Resources, replacing Gurbanmurat Ataev. Yagsygeldi Esenov was dismissed as Supreme Court chairman for "failing to properly perform his duties and for numerous violations," and was replaced by Ashgabat Judge Chary Khodzhamyradov. The significance of these changes in personnel was not immediately apparent.

Part 2: News Digest

The digest of primary news and information sources from which this News Analysis is in part derived is available in the News Digest -- Part 2 of the *Turkmenistan Weekly News Brief* -- which is attached. This week's Digest includes the following:

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1. INTERNATIONAL RELATIONS

a. Turkmen President Berdymukhamedov Visits China, Signs 30-Year Gas Deal

Original title: Synopsis prepared by OSI Turkmenistan Project

Source: International Herald Tribune/AP/TDH/07/18/07

Full version: <http://www.iht.com/articles/ap/2007/07/18/business/AS-FIN-China-Turkmenistan-Gas.php>

Synopsis: Completing a 2-day visit to China on July 18, President Berdymukhamedov was able to sign a 30-year contract for China to purchase gas from Turkmenistan, AP reported, citing the State News Agency (TDH). The deal was seen as a means of enabling gas-rich Turkmenistan to "realign away from its former rulers in Moscow," AP commented.

China's largest oil company, China national Petroleum Corporation, said it would import 30 bcm of natural gas annually for 30 years through a planned Central Asian pipeline, AP said, citing China's Xinhua News Agency. China's energy demands have soared, fueled by 10 percent annual growth in the last four years.

b. China and Turkmenistan Sign Gas Production-Sharing Agreement

Original title: China, Turkmenistan Sign Cooperation Accords Synopsis prepared by OSI Turkmenistan Project

Source: ITAR-TASS/07/17/07

Full version: <http://www.itar-tass.com/eng/level2.html?NewsID=11724270&PageNum=0>

Synopsis: Turkmen President Berdymukhamedov and Chinese President Hu Jintao signed a joint declaration outlining areas of bilateral cooperation after two days of meetings in China, ITAR-TASS reported. The China National Oil and Gas Corporation and the state-owned Turkmengaz signed a production-sharing agreement on the development of gas fields in eastern Turkmenistan. The development is to be funded by a Chinese loan of an unspecified amount.

c. Turkmenistan Vows to Further Political, Cultural Cooperation With China

Original title: China, Turkmenistan Sign Cooperation Accords Synopsis prepared by OSI Turkmenistan Project

Source: Source: Xinhua/xinhuanet.com/07/18/07

Full version: http://news.xinhuanet.com/english/2007-07/18/content_6391021.htm

Synopsis: In addition to energy agreements, Chinese and Turkmen leaders signed agreements on cooperation in other areas of the economy, technology, and education, Xinhua reported. Chinese President Hu Jintao proposed the two countries promote political trust through greater exchange of contacts in government and parliament, youth exchanges, increased development of the textile industry, and enhancement of regional security. Hu said China continued to support Turkmenistan's policy of "neutrality".

Berdymukhamedov said Turkmenistan would further cooperate with China and help fight the "three evil forces" [terrorism, separatism, and extremism]. The Turkmen leader said he supports the "one-China policy" and opposes any form of Taiwanese independence, including membership in international and regional organizations.

d. Turkmen Government Delegation Arrives in China

Original title: Turkmen Government Delegation Arrives in China Synopsis prepared by OSI Turkmenistan Project.

Source: Official Turkmen Government Website/07/16/07

Full version: <http://www.turkmenistan.gov.tm/eng/index.php?idr=1&id=070717c>

Synopsis: A Turkmen government delegation preparing the visit of Turkmen President Berdymukhamedov arrived in China July 17, the official Turkmen government website reported. The group held talks with various government ministers and toured some cultural sights. T. Tagyyev, Deputy Chairman of the Cabinet of Ministers, took part in the Turkmen-Chinese Intergovernmental Commission, focusing in particular on plans to build a gas pipeline between Turkmenistan and China.

Dzhemal Geoklenova, the new Minister of the Textile Industry, held talks with counterparts in the Chinese Ministry of Commerce. N. Atagylyev, chair of the State Association of Food Industry, saw a demonstration of new technology and a system for organizing labor in the food industry. Other ministers in the delegation also met with their counterparts in trade, municipal planning and landscaping.

e. Gas to Top Agenda on Berdymukhamedov's China Trip

Original title: *China Seeks Turkmenistan Gas.* Synopsis prepared by OSI Turkmenistan Project.

Source: *Financial Times*/ft.com/07/15/07

Full version: <http://www.ft.com/cms/s/3a2df41e-32e3-11dc-a9e8-0000779fd2ac.html>

Synopsis: A pipeline to be built between Turkmenistan and China will top the agenda at talks this week for President Berdymukhamedov's trip to China July 17-18, the *Financial Times* reported. At a Cabinet meeting on the eve of his trip, the president said the trip was "a milestone in the fulfillment of Turkmenistan's entire foreign policy strategy." Chinese demand for Central Asian gas is said to be increasing. The pipeline planned would be the first leg of a larger system picking up gas from Uzbekistan and Kazakhstan where the Chinese are also negotiating supply deals. Russia is promised more gas, and options are being kept open to explore new markets in China, Europe, and Pakistan via a long-stalled pipeline through unstable, war-torn Afghanistan.

f. U.S. Deputy Assistant Secretary of State Mann Returns to Turkmenistan

Original title: *Principal Deputy Assistant Secretary Of State Steven Mann Returns to Turkmenistan.*

Source: U.S. Embassy-Ashgabat/07/13/07

Full version: <http://turkmenistan.usembassy.gov/pr20070713.html>

Principal Deputy Assistant Secretary of State for South and Central Asian Affairs, Ambassador Steven Mann continued the recently expanded U.S.-Turkmenistan dialogue on economic and energy sector cooperation during his three day visit that ended today. Deputy Assistant Secretary of State for European and Eurasian Affairs Matthew Bryza was also part of Ambassador Mann's delegation. Bryza held substantive and encouraging talks about assisting Turkmenistan's commercial cooperation with the countries in the Caspian region and beyond.

Principal Deputy Assistant Secretary Steven R. Mann joined the Bureau of South and Central Asian Affairs in May 2006 following his service as the State Department's Senior Advisor for Eurasia. He is responsible for a broad range of foreign policy issues in South and Central Asia, including region-wide energy issues. Mann served as U.S. Ambassador to Turkmenistan from 1998 to 2001. Deputy Assistant Secretary Bryza is responsible for energy security policy in Europe, as well as relations with the countries of the South Caucasus, Turkey, Greece, and Cyprus.

2. DOMESTIC DEVELOPMENTS

a. President Berdymukhamedov Makes New Senior Appointments

Original title: *By Decree of the President of Turkmenistan..* Synopsis prepared by OSI Turkmenistan Project.

Source: Turkmen Government website/turkmenistan.gov.tm/07/13/07

Full version: <http://www.turkmenistan.gov.tm/eng/index.php?idr=1&id=070714b>

Synopsis: President Berdymukhamedov made a number of new appointments and dismissals over the weekend. The list of new appointments was published on the official Turkmen government website. Maysa Yamukhammedova was appointed Deputy Chairman of the Cabinet of Ministers. Yagmyrgeldi Myratlyev was appointed chairman of the State Commodities and Raw Materials Exchange. Khodzhamukhammet Mukhammedov was appointed chairman of the Superior Audit Chamber. Minever Bellieva was appointed state minister chairman of the Turkmenkhaly State Stock Corporation. Dzhemal Geoklenova was appointed Minister of the Textile Industry. Baymyrat Khodzhamukhammedov was appointed Minister of Oil and Gas and Mineral Resources. Myratgeldi Kuraev was appointed chairman of the Turkmendokun Stock Society. Tachmammet Khurmenov was appointed chairman of the State Publishing Service. Chary Khodzhamyradov was appointed Chairman of the Supreme Court.

b. Turkmen President Reshuffles Cabinet

Original title: Turkmen President Reshuffles Cabinet . Synopsis prepared by OSI Turkmenistan Project

Source: RFE/RL NEWSLINE Vol. 11, No. 128, Part I, 16 July 2007:

Full version: <http://www.rferl.org/featuresarticle/2007/7/553cbfb1-46aa-4757-ae2b-2069350baf5f.html>

During a special enlarged Cabinet meeting in Ashgabat on July 13, President Berdymukhamedov announced the dismissal of several ministers and officials, including Turkmen Supreme Court Chairman Yagsygeldi Esenov and Oil and Gas Minister Gurbanmurat Ataev, RFE/RL reported, citing Turkmen television and Interfax. Esenov was dismissed as Supreme Court chairman for "failing to properly perform his duties and for numerous violations," and was replaced by Ashgabat Judge Chary Khodzhamyradov. Ataev was removed "in connection with his appointment to another job," and was replaced by Maimurat Khojamammedov for a standard six-month probationary term. Ataev, a former long-serving deputy minister before his appointment to the full Cabinet post by the late President Saparmurat Niyazov in December 2005, is also a deputy prime minister. Further changes included the appointment of Maysa Yazmuhammedova as the new deputy prime minister in charge of culture, media, and health-care issues, and the replacement of Textile Industry Minister Yklymberdy Paromov with Jemal Goklenova, who held the same post before being fired by Niyazov.

Yazmuhammedova, a former deputy governor of Ahal Province, served as the head of the country's largest trade union prior to the appointment.

c. President Berdymukhamedov Establishes Audit Chamber

Original title: Official Chronicle. Synopsis prepared by OSI Turkmenistan Project.

Source: Turkmen Government website/turkmenistan.gov.tm/07/13/07

Full version: <http://www.turkmenistan.gov.tm/rus/index.php?idr=1&id=070713c>

Synopsis: In order to strengthen oversight of the implementation of regulations governing financial and economic activity and to ensure the integrity, legality and effective use and disposal of state property and financial assets, the Turkmen president signed a decree instituting the Superior Audit Chamber of Turkmenistan.

d. Travel Permit System for Border Zones Abolished

Original title: Travel Permit System for Border Zones Abolished. Synopsis prepared by OSI Turkmenistan Project.

Source: turkmenistan.ru/07/14/07

Full Version: http://www.turkmenistan.ru/?page_id=3&lang_id=en&elem_id=10565&type=event&sort=date_desc

Synopsis: President Berdymukhamedov signed a decree abolishing the travel permit system for Turkmen citizens to travel to the border regions of the country, turkmenistan.ru reported, citing the State Press Agency (TDH). The decision was said to be made for the sake of "furthering the welfare of the Turkmen population" and "ensuring free movement of citizens to all regions of the country." The State Border Service, Ministry of National Security, Ministry of Interior and provincial administrations are still tasked with ensuring public order in settlements located in border zones.

e. President Steps Up Anti-Drug Campaign

Original title: Consolidating Forces in the Battle with Drug Addiction. Synopsis prepared by OSI Turkmenistan Project.

Source: Official Turkmen Government Website/07/16/07

Full version: <http://www.turkmenistan.gov.tm/rus/index.php?idr=2&id=070716b>

Synopsis: Along with the presidents of Azerbaijan, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan, President Berdymukhamedov last week co-signed a regional agreement to create a Central Asian information coordination center to combat illegal trade in narcotics, psychotropic drugs and their ingredients, the official government website reported. The center is to be located in Almaty. The president said that joining the regional effort was an indication of Turkmenistan's determination to cooperate with neighbors for international goals but also to focus on solving Turkmenistan's most acute domestic problems. The center would help collect information and analysis about cross-border narcotics crime. A massive

educational effort is under way in Turkmenistan with the help of the World Health Organization and UN drug and crime agencies to help prevent drug abuse and smuggling.

Calling drug addiction a "terrible social evil," the president noted the government's intention to continue the national program launched by his predecessor for 2006-2010 to provide treatment for drug addicts.

f. "Holy" *Ruhnama* Compulsory Subject for Turkmen Entrance Exams at Russian Universities

Source: gundogar.org/07/18/07. Synopsis prepared by OSI Turkmenistan Project

Original title: "Sacred *Ruhnama*" Compulsory Subject for Entrance Exams in Russian Universities

Full version: <http://www.gundogar.org/?0225000000000000000011062007070000#4716>

Synopsis: The Turkmen Minister of Education announced on state television that the Ministry was now accepting applications for exams to enter Russian universities for the 2007-2008 school year, gundogar.org reported. Gubkin Russian State University of Oil and Gas in Moscow; Ufa State Gas Technology University in Ufa; Tomsk Polytechnical University in Tomsk; Tyumen Gas University in Tyumen; and Alymetevsk Gas Institute were included in the list of Russian institutions making room for Turkmen students in the fall.

A list of subjects for which Turkmen students must pass exams to gain entrance to the Russian schools includes physics, mathematics and the "holy" *Ruhnama* in the state language, the minister explained. Applicants must also pass oral exams conducted in the Russian language.

g. Another Baptist Deported to Russia from Turkmenistan

Source: Forum 18 News Service/forum18.org/07/18/07. Synopsis prepared by Forum 18 News Service.

Original title: Turkmenistan: Another Baptist Deported to Russia

Full version: http://www.forum18.org/Archive.php?article_id=996

Synopsis: Seven weeks after being arrested for religious activity, Baptist pastor Yevgeni Potolov has been deported to Russia, Forum 18 News Service has reported. Pastor Potolov's deportation separates him from his wife and seven children. While he was in prison, the Ministry of National Security secret police gave the Migration Service a document declaring the pastor to be a "dangerous person." Forum 18 has been unable to find out from officials why Potolov was deported and why arrests, raids and deportations in punishment for peaceful religious activity are increasing. Others deported in earlier years for their religious activity have not been allowed to return to their homes. After Baptist leader Aleksandr Frolov was deported in June 2006, his wife Marina, a Turkmen citizen, appealed for him to be allowed back to live with her and their two young children. But in the face of Turkmenistan's refusal of family re-unification, she has now joined him in Russia. "I hadn't seen my husband for a year and didn't want our family to be split," she told Forum 18.

3. ECONOMIC NEWS

a. Russia's MTS Reports 240,000 Turkmen Subscribers

Original title: Russia's MTS Reports 240,000 Turkmen Subscribers at End-H1 2007. Synopsis prepared by OSI Turkmenistan Project.

Source: GlobalInsight/globalinsight.com/07/16/07

Synopsis: Russia's Mobile TeleSystems (MTS) has announced that at the end of the first half of 2007 it had 240,000 subscribers in Turkmenistan, up from 180,000 at the start of the year, and almost double the number it had 12 months ago, Global Insight reported. MTS chief executives met with Turkmen President Berdymukhamedov in June to indicate plans for investment in the growing market in Turkmenistan.

b. Turkey, Iran, May Include Turkmen Gas in Nabucco Pipeline Deal

Original title: *Iran and Turkmenistan to Pump Gas to Europe. Synopsis prepared by OSI Turkmenistan Project.*

Source: Reuters/07/16/07

Full version: <http://www.oilandgaseurasia.com/news/p/0/news/798>

Synopsis: Iran and Turkey have signed a preliminary agreement to pump Iranian gas to Europe via Turkey, Reuters reported. Citing a senior Turkish energy official who asked not to be named, Reuters said Iran and Turkmenistan plan to pump 30 bcm a year to Europe via Turkey, thus avoiding the need for alternative suppliers to the Nabucco pipeline project. Turkey had earlier unsuccessfully sought Russian gas for the U.S. \$6.8 million project that will run across Turkey to Hungary and Austria through the eastern Balkans and will be eventually able to carry 31 bcm a year from Central Asian producers to the West.

When pressed about details, the Turkish official said that the agreement was still being finalized for announcement in a month's time, and the date for when the gas will start flowing was not yet determined. "But it is agreed that Iran will pump 30 bcm gas to Turkey per which might include Turkmen gas," he said. Turkmenistan already exports gas to Iran, and sent 4.1 bcm to Iran in the first half of 2007, Reuters reported.

c. U.S. Criticizes Turkey-Iran Deal to Deliver Turkmen Gas

Original title: *U.S. Criticizes Turkey-Iran Gas Deal. Synopsis prepared by OSI Turkmenistan Project.*

Source: ANS (Azerbaijan News Service)/anspress.com/07/17/07

Full version: <http://www.anspress.com/hid26560.html>

Synopsis: The U.S. criticized a preliminary agreement between Turkey and Iran for a planned 3,300 kilometer pipeline to deliver natural gas from Turkmenistan and Iran to Europe, ANS reported.

"It does not seem wise to put increasing trust in Iran as a source and transit country of natural gas" when it is under sanctions over its controversial nuclear program, the agency quoted Kathryn Schalow, the spokeswoman for the US embassy in Baku, as saying..

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